

Prime Minister of Australia | John Howard

Media Release

25 September 2007

Australian Government Strengthens Drought Support

The Australian Government will provide a further \$714 million in drought assistance measures to support farmers through the worst drought in our nation's history.

Today's funding is in addition to the \$430 million announced last week to extend the 38 areas of agricultural production currently receiving Exceptional Circumstances (EC) assistance until September 2008.

These new measures will make it easier for farmers and small business to access EC assistance, provide direct grants to irrigators and help with social pressures facing farming families across rural and regional Australia.

Today's announcement includes:

- An increase to the off-farm income exemption from \$10,000 to \$20,000; (\$33 million)
- An increase to the off-farm assets limit, for access to Exceptional Circumstances Interest Rate Subsidy, from \$473,000 to \$750,000; (\$143 million)
- Immediate access to the \$5000 professional advice and planning grants for farmers in EC declared areas; (\$26 million)
- Extending the eligibility of small businesses access to EC assistance, to include all small businesses in towns of up to 10,000 population that have a significant reliance on farmers for their income, and have suffered a downturn; (\$142 million)
- Grants of up to \$20,000 to irrigators in the Murray Darling Basin to implement water management strategies in response to significantly reduced allocations; (\$66 million)
- An exit grant of up to \$150,000 for farmers who have decided to leave the land, and an increase in the assets limit to access this grant, to \$350,000; (\$150 million)
- A further \$10,000 is available for advice and retraining, and up to \$10,000 for relocation expenses is also available to those who take up the exit grant; (\$20 million)
- Information workshops to assist irrigators manage their farm businesses with reduced water allocations; (\$7.5 million)
- Funding for up to an additional 13 Rural Financial Counsellors, an additional 10 Centrelink Rural Support Officers and five social workers; (\$8 million)
- Additional social and emotional counselling through the establishment of 25 Family Support Drought Response teams; (\$11 million)
- An increase of \$1000 to the Assistance for Isolated Children Additional Boarding Allowance and an ongoing supplementary allowance of \$1000 for all students who receive an AIC Distance Education Allowance; (\$8 million)
- Up to an additional \$10,000 a school in EC declared areas; (\$46 million) and
- An additional \$4.5 million for the Emergency Relief Program to fund community and charitable organisations to provide emergency assistance.

As part of this package the Government will establish a \$10 million contingency fund to ensure that Rural Research and Development Corporations have sufficient funds available to continue their research programs during periods of unprecedented low levy collections caused by drought.

The package announced today will also provide interim assistance to the remaining agricultural land in New South Wales and South Australia not currently EC declared, until 30 September 2008. This will allow farmers in need to receive assistance immediately.

In addition, the four areas in southern Australia currently being assessed for full EC assistance (Lower South-East SA, Central and Eastern Mount Lofty Ranges SA, Flinders Island and the North-East TAS, Central Midlands TAS) will immediately have access to full EC support, at an estimated cost of \$39 million.

By extending EC assistance and investing in these substantial new measures, the Australian Government has demonstrated that it is prepared to support farmers and rural communities throughout this severe and prolonged drought.

It is a further demonstration of the Government's commitment to our farming community and significantly adds to the \$2.8 billion in drought assistance and business, welfare assistance and support committed since 2001.

With the Budget in such a strong position, the Commonwealth has been able to generously support those in need, including rural and regional communities hurting from the drought. It is one of the great dividends of our current prosperity.

I strongly encourage farmers not to self-assess but to contact Centrelink on the National Drought Helpline 13 23 16 as soon as possible to check their eligibility for EC assistance.

For EC interest rate subsidy information, producers should contact their State Rural Adjustment Authority.